



## 2011 Group Insurance Rates and Legally Required Notices

### 2011 Group Insurance Rates

How to Calculate Basic Life Premiums – <i>Select Plan</i> .....	page 2
How to Calculate LTD Premiums – <i>Select Plan</i> .....	page 2
2011 Health Rates – <i>Select Plan</i> .....	page 3
How to Calculate Optional Life Insurance Premiums – <i>Select Plan</i> .....	page 4
How to Calculate Dependent Life Insurance Premiums – <i>Select Plan</i> .....	page 4

### Legally Required Notices

Notice of Creditable Coverage .....	page 5
Notice of Grandfathered Health Plan Status .....	page 7
Lifetime Limit No Longer Applies and Enrollment Opportunity .....	page 7
Notice About Early Retiree Reinsurance Program .....	page 7

**BASIC LIFE PREMIUMS - Select Plan**  
(Includes Basic Term Life Insurance, AD&D and BTA)  
Effective January 1, 2011

**How to Calculate the Estimated Bi-Weekly Employee Cost (After-Tax)**

- 1) Determine your coverage amount for basic term life insurance (subject to plan maximums):
- If you are a full-time employee, multiply your basic annual earnings (i.e., your annual salary) times 1 and round to the next highest \$1,000. *For example, if your annual salary is \$26,700, 1 times your salary is \$26,700, which would round to \$27,000.*

- If you are a part-time employee, take your basic annual earnings (i.e., your annual full-time equivalent salary) and round to the next highest \$1,000. *For example, if your annual full-time equivalent salary is \$26,700, round your salary to \$27,000.*

- 2) Multiply your coverage amount determined in 1) by:  
0.00009980

(this factor is based on a bi-weekly term life insurance cost of \$.093 per \$1,000 of coverage and a bi-weekly AD&D cost of \$.007 per \$1,000 of coverage)

*For example, if your coverage amount is \$54,000, then  $0.0000998 \times \$54,000 = \$5.39$*

*If your basic annual earnings are less than \$50,000, multiply your basic annual earnings by 10 and round to the next highest \$1,000. Multiply the difference between that amount and \$500,000 by .0000462, and add to the cost calculated directly above.*

- 3) To the amount calculated in 2), add:  
\$0.83

(this amount consists of a flat bi-weekly BTA cost of \$.08 and a flat bi-weekly pre-funding cost of **\$.75**)  
This is the total estimated bi-weekly cost for your Basic Life. For example,  $\$.83 + \$5.39 = \$6.22$

- 4) Multiply the total cost calculated in 3) by .24 for your estimated bi-weekly cost for Basic Life.  
*For example,  $\$6.22 \times .24 = \$1.49$*

***Please note that salary adjustments during the year that change your coverage amount, will also change your bi-weekly cost for Basic Life.***

**LTD PREMIUMS - Select Plan**  
Effective January 1, 2011

**How to Calculate the Estimated Bi-Weekly Employee Cost (After-Tax)**

**LTD1 for full-time employees who are members of the Employees' Retirement System:**

- 1) Multiply your basic annual earnings (i.e., your annual salary) up to \$50,000 times .60.  
This represents the annual benefit that would be payable to you under LTD1.  
*For example, if your annual salary is \$26,700, then  $\$26,700 \times .60 = \$16,020$ .*  
*(If your salary had been \$55,000, you would have only multiplied \$50,000 times .60.)*

- 2) Multiply the amount calculated in 1) by:  
0.000131

(this factor is based on a bi-weekly LTD cost of \$.157 per \$100 of the monthly benefit that would be payable under LTD1). *For example,  $\$16,020 \times 0.000131 = \$2.10$ . This is the total estimated bi-weekly cost for your LTD1.*

- 3) Multiply the total cost calculated in 2) by .24 for your estimated bi-weekly cost for LTD1.  
*For example,  $\$2.10 \times .24 = \$0.50$ .*

***Please note that salary adjustments during the year that change your benefit payable under LTD1, will also change your bi-weekly cost for LTD1.***

**LTD2 for employees who are members of the Elected Officials', Retirement Savings or the Guaranteed Retirement Income Plans**

Your bi-weekly cost for LTD2 is the total bi-weekly funding amount of \$20.78 times .24 = \$4.99.

# HEALTH RATES

## Select Plan

Effective January 1, 2011

FULL TIME 40 HRS/WK		EMPLOYEE BI WEEKLY COST		
HEALTH PLANS		SELF	SELF+1	FAMILY
<b>MEDICAL:</b>				
Carefirst High Option POS (medical only)		\$ 50.76	\$ 87.82	\$ 147.86
Carefirst Standard Option POS (medical only)		\$ 47.21	\$ 81.67	\$ 137.52
UnitedHealthcare Select HMO (medical only)		\$ 43.31	\$ 83.25	\$ 132.35
Kaiser HMO (medical with Rx)		\$ 52.87	\$ 99.40	\$ 156.50
<b>PRESCRIPTION:</b>				
Caremark High Option \$5/\$10 Rx Plan		\$ 40.54	\$ 75.01	\$ 116.25
Caremark Standard Option \$10/\$20/\$35 Rx Plan		\$ 13.48	\$ 24.94	\$ 38.65
<b>DENTAL:</b>				
Dental PPO (Traditional Dental Plan)		\$ 3.79	\$ 8.44	\$ 12.14
Dental HMO (DHMO)		\$ 1.76	\$ 3.34	\$ 4.89
<b>VISION:</b>				
Vision Plan		\$ 0.41	\$ 0.64	\$ 0.98
PART TIME 30-39 HRS/WK		EMPLOYEE BI WEEKLY COST		
HEALTH PLANS		SELF	SELF+1	FAMILY
<b>MEDICAL:</b>				
Carefirst High Option POS (medical only)		\$ 90.95	\$ 157.34	\$ 264.92
Carefirst Standard Option POS (medical only)		\$ 84.59	\$ 146.32	\$ 246.38
UnitedHealthcare Select HMO (medical only)		\$ 77.59	\$ 149.16	\$ 237.12
Kaiser HMO (medical with Rx)		\$ 94.73	\$ 178.10	\$ 280.40
<b>PRESCRIPTION:</b>				
Caremark High Option \$5/\$10 Rx Plan		\$ 51.22	\$ 94.76	\$ 146.85
Caremark Standard Option \$10/\$20/\$35 Rx Plan		\$ 24.16	\$ 44.69	\$ 69.25
<b>DENTAL:</b>				
Dental PPO (Traditional Dental Plan)		\$ 6.79	\$ 15.11	\$ 21.75
Dental HMO (DHMO)		\$ 3.16	\$ 5.98	\$ 8.76
<b>VISION:</b>				
Vision Plan		\$ 0.73	\$ 1.15	\$ 1.75
PART TIME 20-29 HRS/WK		EMPLOYEE BI WEEKLY COST		
HEALTH PLANS		SELF	SELF+1	FAMILY
<b>MEDICAL:</b>				
Carefirst High Option POS (medical only)		\$ 131.14	\$ 226.86	\$ 381.98
Carefirst Standard Option POS (medical only)		\$ 121.96	\$ 210.97	\$ 355.25
UnitedHealthcare Select HMO (medical only)		\$ 111.87	\$ 215.07	\$ 341.90
Kaiser HMO (medical with Rx)		\$ 136.59	\$ 256.79	\$ 404.30
<b>PRESCRIPTION:</b>				
Caremark High Option \$5/\$10 Rx Plan		\$ 61.89	\$ 114.51	\$ 177.45
Caremark Standard Option \$10/\$20/\$35 Rx Plan		\$ 34.83	\$ 64.44	\$ 99.85
<b>DENTAL:</b>				
Dental PPO (Traditional Dental Plan)		\$ 9.78	\$ 21.79	\$ 31.36
Dental HMO (DHMO)		\$ 4.55	\$ 8.62	\$ 12.63
<b>VISION:</b>				
Vision Plan		\$ 1.05	\$ 1.66	\$ 2.52
PART TIME 10-19 HRS/WK		EMPLOYEE BI WEEKLY COST		
HEALTH PLANS		SELF	SELF+1	FAMILY
<b>MEDICAL:</b>				
Carefirst High Option POS (medical only)		\$ 171.33	\$ 296.38	\$ 499.04
Carefirst Standard Option POS (medical only)		\$ 159.34	\$ 275.63	\$ 464.11
UnitedHealthcare Select HMO (medical only)		\$ 146.16	\$ 280.97	\$ 446.67
Kaiser HMO (medical with Rx)		\$ 178.45	\$ 335.49	\$ 528.20
<b>PRESCRIPTION:</b>				
Caremark High Option \$5/\$10 Rx Plan		\$ 72.57	\$ 134.25	\$ 208.05
Caremark Standard Option \$10/\$20/\$35 Rx Plan		\$ 45.51	\$ 84.18	\$ 130.45
<b>DENTAL:</b>				
Dental PPO (Traditional Dental Plan)		\$ 12.78	\$ 28.47	\$ 40.97
Dental HMO (DHMO)		\$ 5.95	\$ 11.27	\$ 16.50
<b>VISION:</b>				
Vision Plan		\$ 1.37	\$ 2.17	\$ 3.30

## OPTIONAL LIFE INSURANCE - Select Plan

Effective January 1, 2011

### How to Calculate the Estimated Bi-Weekly Employee Cost (After-Tax)

1) Determine your coverage amount for Optional Life Insurance (subject to plan maximums):

- Take your basic annual earnings (i.e., your annual full-time equivalent salary) and multiply by the level of Optional Life Insurance you are electing. *For example, if your annual full-time equivalent salary is \$26,700 and you want an additional two times your basic annual earnings in Optional Life Insurance then  $\$26,700 \times 2 = \$53,400$*

- Round this amount to the next \$1,000.

*For example, you would round \$53,400 to \$54,000.*

2) Divide the amount determined in 1) by \$1,000. *For example,  $\$54,000/\$1,000 = 54$ .*

3) From the table below, find the total bi-weekly cost for your age band as of January 1 (if you are a new hire during the year, you should use your age as of your hire date). This is your bi-weekly cost for each \$1,000 of Optional Life Insurance coverage you elect. If you move into a higher age band during the year, the new cost for that age band will apply as of that date.

AGE	TOTAL BI-WEEKLY COST*
<25	\$0.021
25-29	\$0.024
30-34	\$0.030
35-39	\$0.032
40-44	\$0.035
45-49	\$0.049
50-54	\$0.072
55-59	\$0.129
60-64	\$0.194
65-69	\$0.367

*For example, if you are 44 as of January 1, the total bi-weekly cost is \$0.035 for every \$1,000 of Optional Life Insurance you elect. Should you turn 45 during the year, your new bi-weekly cost will be \$0.049 for every \$1,000 of Optional Life Insurance you elect.*

4) Multiply the total bi-weekly cost determined in 3) by the amount determined in 2). This is your estimated bi-weekly cost for the Optional Life Insurance you have elected. *For example,  $\$0.035 \times 54 = \$1.89$ .*

*This bi-weekly cost would increase to  $\$0.049 \times 54$  or \$2.65 should you move into the next age band during 2011*

**Please note that salary adjustments during the year that change your coverage amount, will also change your bi-weekly cost for Optional Life Insurance.**

## DEPENDENT LIFE INSURANCE - Select Plan

Effective January 1, 2011

### Estimated Total Bi-Weekly Cost and Employee Bi-Weekly Cost (After-Tax)

COVERAGE		TOTAL BI-WEEKLY COST*	EMPLOYEE BI-WEEKLY COST*
\$2,000 - Spouse, \$1,000 - Child 6mos - 21 yrs \$100 - Child under 6 months	24% Employee Paid	\$0.42	\$0.10
\$4,000 - Spouse, \$2,000 - Child 6mos - 21 yrs \$100 - Child under 6 months	100% Employee Paid	\$0.83	\$0.83
\$10,000 - Spouse, \$5,000 - Child 6mos - 21 yrs \$100 - Child under 6 months	100% Employee Paid	\$2.09	\$2.09

\*Bi-weekly deductions based on 26 pay checks for 2011

# Notice of Creditable Coverage

## *Important Notice from Montgomery County About Your Prescription Drug Coverage and Medicare*

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Montgomery County and prescription drug coverage available for people with Medicare. It also explains the options you have under Medicare prescription drug coverage and can help you decide whether or not you want to enroll. At the end of this notice is information about where you can get help to make decisions about your prescription drug coverage.

There are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. Montgomery County has determined that the prescription drug coverage offered by the County's group insurance plan is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

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### When Can You Join A Medicare Drug Plan?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from November 15th through December 31st. However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

You should compare your current coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area.

### What Happens To Your Current Coverage If You Decide to Join A Medicare Drug Plan?

At this time, the County offers Medicare eligible retirees the following prescription plans:

- Caremark High Option Prescription Plan.
- Caremark Standard Option Prescription Plan.
- Prescription coverage available through the CareFirst Indemnity Carve-out medical plan.\*
- Prescription coverage available through the CareFirst Indemnity Supplemental medical plan.\*
- Prescription coverage available through the Kaiser's Medicare Plus plan.\*

*\* Covers other health expenses, in addition to prescription drugs.*

If you decide to join a Medicare drug plan, your current County coverage will not be affected. The County plan will process your claims under the terms of its plan for the portion of the charge not paid by Medicare. You should give both cards to the pharmacist when you are filling a prescription. The Medicare drug plan will be the first to pay the claim, and your County plan will pay second for charges not covered by the Medicare plan.

**CONTINUED...**

If you decide to join a Medicare drug plan and you decide to drop your current County coverage, be aware that you and your dependents will be able to get this coverage back at any time.

### **When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?**

You should also know that if you drop or lose your coverage with the County and don't enroll in Medicare prescription drug coverage within 63 days after your current coverage ends, you may pay more (a penalty) to enroll in Medicare prescription drug coverage later.

If you go 63 days or longer without prescription drug coverage determined to be Creditable Coverage, your monthly premium may go up at least 1% per month for every month that you did not have that coverage. For example, if you go nineteen months without coverage, your premium may always be at least 19% higher. You'll have to pay this higher premium as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to enroll.

### **For More Information About This Notice Or Your Current Prescription Drug Coverage...**

The Office of Human Resources, Benefits Team  
101 Monroe Street, 7<sup>th</sup> floor  
Rockville, Maryland 20850  
240-777-5120 or [benefits@montgomerycountymd.gov](mailto:benefits@montgomerycountymd.gov)

**NOTE:** You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through Montgomery County changes. You also may request a copy of this notice at any time.

### **For More Information About Your Options Under Medicare Prescription Drug Coverage...**

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare prescription drug plans. For more information about Medicare prescription drug plans:

- Visit [www.medicare.gov](http://www.medicare.gov)
- Call your State Health Insurance Assistance Program (see your copy of the Medicare & You handbook for their telephone number) for personalized help,
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

For people with limited income and resources, extra help paying for Medicare prescription drug coverage is available. Information about this extra help is available from the Social Security Administration (SSA) online at [www.socialsecurity.gov](http://www.socialsecurity.gov), or you call them at 1-800-772-1213 (TTY 1-800-325-0778).

**Remember: Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).**

October 2010  
Montgomery County Office of Human Resources, Benefits Team  
101 Monroe Street, 7<sup>th</sup> floor  
Rockville, Maryland 20850  
240-777-5120 or [benefits@montgomerycountymd.gov](mailto:benefits@montgomerycountymd.gov)

## **Notice of Grandfathered Health Plan Status**

Montgomery County Government believes the Choice and Select Plans (the “Plan”) are “grandfathered health plans” under the Patient Protection and Affordable Care Act (the Affordable Care Act). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that your Plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the OHR Benefits Team at [benefits@montgomerycountymd.gov](mailto:benefits@montgomerycountymd.gov) or 240-777-5120. You may also contact the U.S. Department of Health and Human Services at [www.healthreform.gov](http://www.healthreform.gov).

## **Lifetime Limit No Longer Applies and Enrollment Opportunity**

The lifetime limit on the dollar value of benefits under the Choice and Select Plan (the “Plan”) no longer applies. Individuals whose coverage ended by reason of reaching a lifetime limit under the Plan are eligible to enroll in the Plan. If this applies to you, and you are otherwise eligible to participate in the Plan, contact the OHR Benefits Team at [benefits@montgomerycountymd.gov](mailto:benefits@montgomerycountymd.gov) or 240-777-5120. You will then have 30 days from the date you receive this notice to notify the OHR Benefits Team in order to enroll in the Plan. Coverage will begin January 1, 2011.

## **Notice About the Early Retiree Reinsurance Program**

You are a plan participant, or are being offered the opportunity to enroll as a plan participant, in an employment-based health plan that is certified for participation in the Early Retiree Reinsurance Program. The Early Retiree Reinsurance Program is a Federal program that was established under the Affordable Care Act. Under the Early Retiree Reinsurance Program, the Federal government reimburses a plan sponsor (Montgomery County Government) of an employment-based health plan for some of the costs of health care benefits paid on behalf of, or by, early retirees and certain family members of early retirees participating in the employment-based plan. By law, the program expires on January 1, 2014.

Under the Early Retiree Reinsurance Program, your plan sponsor may choose to use any reimbursements it receives from this program to reduce or offset increases in plan participants’ premium contributions, co-payments, deductibles, co-insurance, or other out-of-pocket costs. If the plan sponsor chooses to use the Early Retiree Reinsurance Program reimbursements in this way, you, as a plan participant, may experience changes that may be advantageous to you, in your health plan coverage terms and conditions, for so long as the reimbursements under this program are available and this plan sponsor chooses to use the reimbursements for this purpose. A plan sponsor may also use the Early Retiree Reinsurance Program reimbursements to reduce or offset increases in its own costs for maintaining your health benefits coverage, which may increase the likelihood that it will continue to offer health benefits coverage to its retirees and employees and their families.

You are responsible for providing a copy of this notice to your family members who are participants in this plan.